

110175
DECISION



11185 PL-1
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-195450

DATE: August 22, 1979

MATTER OF: Electro-Nav, Inc.

DIGEST:

GAO will not review procurement actions by subsidiary of the Communications Satellite Corporation (Comsat) because Comsat is not an agency or establishment of United States Government subject to GAO's account settlement authority.

Electro-Nav, Inc. (Electro-Nav) requests a ruling by our Office on the legality of the manner in which Comsat General Corporation, a subsidiary of Communications Satellite Corporation (Comsat), handled a request for proposals (RFP) for "MARISAT Ship Terminal Equipment and Services."

According to Electro-Nav, Comsat issued solicitations to only two potential suppliers, even though a number of other suppliers are capable of manufacturing and supplying the desired equipment. Electro-Nav alleges that Comsat is purposely excluding it from competition, as evidenced by the fact that, although it expressed a desire to submit a proposal, Comsat denied the request.

Electro-Nav advises that one of the two suppliers solicited by Comsat has since stated that it did not intend to submit a proposal. As a result, Comsat will receive a proposal and negotiate for a contract with only one supplier. Electro-Nav maintains that Comsat is restricting competition in violation of its statutory mandate that "maximum competition be maintained in the provision of equipment." 47 U.S.C. § 701(c) (1976).

Our authority to resolve Government contract controversies rests on the Budget and Accounting Act of 1921 (31 U.S.C. § 1, et seq. (1976)), which provides that claims and demands against the United States will be settled and adjusted by the General Accounting Office, and further delegates authority to our Office to certify accounts. For this reason, we resolve only those bid protests concerning agencies of the Federal Government whose accounts are subject to settlement by our Office. 4 C.F.R. § 20.1(a) (1978).

Comsat, however, was established pursuant to the Communications Satellite Act of 1962, 47 U.S.C. § 701, et seq. (1976). That Act provides:

"There is authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government * * *." 47 U.S.C. § 731 (1976).

Since Comsat is not subject to our settlement authority, we lack jurisdiction to consider protests questioning the propriety of its procurements. Electro-Nav's protest must therefore be dismissed.

Harry R. Van Cleave
for Milton J. Socolar
General Counsel